

CARE FUNCTIONAL REVIEW
ACQUISITION OF SUPPLIES, SERVICES, AND EQUIPMENT

For information on the interpretation or clarification on the functional questions in this section, please contact Linda Wilson on 301-504-1733.

2.0 Acquisition

Select 10 percent of orders from the purchase order log book for review. Look carefully at orders placed during the last two weeks of the fiscal year, and at orders over \$2,500.

2.01 Requisitions

Reference Field Acquisition Manual (FAM, 213.2M, updated 2002), and FAR Part 13, REE Purchase Card Program Manual 213.3M, Departmental Regulation 5013-6, APC/LAPC Purchase Card Program Guide.

AD-700 Procurement Request: Ensure the file includes an AD-700 Procurement Request complete with required sub-account, specifications, funding, estimates, justifications, and approval.

Verify that the AD-700 is signed by an authorized individual. Verify that the AD-700 is properly dated.

Verify that a tracking system is in place to handle the administration of procurement requests, contracts, purchase orders, assignments of requests for action. An example would be to have a manual or automated log. Verify that an action is traceable through the system. Is there a management information system in place to report on status of sensitive actions?

If the AD-700 has been entered in FFIS for commitment accounting, the FFIS RQ print screen must be with the AD-700.

NOTE: If the requisitioning office has entered the AD-700 into FFIS and a RQ is present, funds have been committed in FFIS for the purchase. If the procurement official purchases the requested items by purchase card, the requisitioning office must be notified that the purchase was completed by purchase card. Failure to do so will cause a double obligation of funds in FFIS, the first by the AD-700 entry and the second by PCMS. When the requisitioning office is notified of the card purchase, they must then back-out the AD-700 amount from FFIS. This information should be documented and kept in the purchase file.

2.02 Procurement

Verify that current P&P's, Bulletins, etc. are readily available.

Document the kind of random review and supervision of the purchasing function at the Location to insure efficiency and compliance with regulations. What is the Area's involvement in this regard?

2.02-1.01 Blanket Purchase Agreements (BPA's)

Ensure that BPA's are replaced by using the purchase card when appropriate.

Ensure that BPA's are documented on an AD-838 Type 45 and contain all the necessary terms and conditions, including individuals authorized to place orders and extent of their authority, and securing maximum discounts. (FAM 213.2M, 2002) and FAR Part 13.303).

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Ensure BPA orders are only used by those individuals authorized on the agreement (FAR Part 13.303).

Check to see that whenever possible, contractors invoice monthly rather than invoicing for each call order (FAR Part 13.303 and FAM). This is to reduce paperwork and cost to the Government.

Ensure BPA's are reviewed annually to reaffirm the need and proper usage (FAM 213.2M, 2002 and FAR Part 13.303).

Ensure that call orders over \$2,500 are documented to show that competition was obtained or notation for sole-source (FAR Part 13.303 and FAM).

Ensure that individual call orders do not exceed the maximum call order limit (FAM 213.2M, 2002 and FAR Part 13.303).

Ensure that BPA's do not exceed the total dollar limitation or its stated time period.

2.02-1.02 Purchase/Delivery Orders

Check log books for orders just under \$100,000 representing split requirements that were broken down into several purchases merely to permit the use of simplified acquisition procedures. Look for open market purchase orders that exceed the \$100,000.

Check log books for multiple orders to same vendor/merchant broken down to remain under warrant authority.

Check purchase orders for best value and/or price reasonableness determinations.

Ensure there is an awareness of the procedures for ratification of unauthorized obligations (P&P 212.16).

Ensure that the total value of the order is within the delegated authority of the contracting officer.

Check to see if the purchasing agents are using required sources properly, particularly, FPI (UNICOR) and Javits-Wagner-O'Day (JWOD) Act program sources (FAR Part 8 and FAM).

Check to see if procurement outreach efforts are being accomplished. Is there an awareness of the procurement preference program in terms of need to locate small business, small disadvantaged business, women-owned business, etc. (FAR Part 19, DR5090-2, DR5090-3).

Ensure that Small Business - Small Purchase Set-Aside regulations are adhered to: Purchases over \$2,500 must be set-aside for small businesses. The file should be documented as stated in FAR 19.506(c) should dissolution of the set-aside be necessary. Note: Orders under \$2,500 (micro purchases) do not have to be set aside for participation by small business.

Check log book for multiple orders less than \$25,000 that may have been broken down into several purchases merely to circumvent synopsis requirements.

Ensure that Comp Demo Program regulations are adhered to: Requirements such as construction and refuse services under \$25,000 should be acquired according to the Small Business Competitive Demonstration Act.

Verify that all Open-Market requirements of \$25,000 or greater were synopsized.(FAR Parts 5 and 13 and FAM).

Ensure that competition is obtained for requirements over \$2,500. If not, the file should document why competition was not feasible or not obtained. For non-competitive purchases exceeding \$2,500, ensure price reasonableness is included in the file (FAR Part 13 and FAM).

Services over \$2,500: If subject to the Service Contract Act, wage rates should be obtained on the SF-98 and incorporated in the order (FAR Part 13 and FAM).

Actions over \$25,000 or under Comp Demo Program: Verify that an SF-279 was prepared in accordance with FPDS procedures and in the specified time frame for actions defined in the FPDS Reporting Manual. Note: SF-279 also is required for construction over \$500. Verify 281 code A22" is used on purchase orders to ensure action is not counted twice.

Construction over \$2,000: Ensure Davis-Bacon Wage Rates are incorporated in the order (FAR Part 22 and FAM).

Ensure that there is no violation of the restrictions against advisory and assistance services (FAR 37.2).

Request for quotes: The file should be documented to show the method of solicitation, either orally or in writing. Written competition is required for construction over \$2,000 (FAR Part 13 and FAM).

Ensure that source lists are maintained and used to select sources for simplified acquisitions. This includes GSA (FAR Part 8, FAR 13 and FAM).

Defaults - In case of Termination for Default, did the office charge the excess costs of any reprocurement action to the defaulted contractor?

Ceiling price: Are ceilings established for all estimated orders?

Delivery date: Does the order contain a definitive or determinable date for delivery of supplies or performance of services.

Are AD-838's, Purchase Orders, prepared in accordance with the instructions on IRS Form 1099 reporting requirements (NFC Manual Title II, Chapter 5, Section).

Check to see if procurement files are well maintained and organized. All pertinent data should be kept in the contracting officer's file.

FFIS print screen of the VEND Table Record for the vendor's remittance address must be in the file with the purchase order.

Ensure that as stated in FAR Part 4.805, the location retains records as follows: 1) Construction contracts over \$2,000 and all other contracts over \$25,000 for 6 years and 3 months after final payment; 2) Signed construction contract of \$2,000 or less and all other contract of \$25,000 or less 3 years after final payment; 3) Records pertaining to contracts using simplified acquisition procedures 1 year after final payment. Refer to Part 4 for detailed info.

2.02-1.03 Purchase Cards

Qualification and Training of LAPC- Verify that the LAPC is in the 1102 or 1105 series. For those not in the 1102 or 1105 series, check to see what procurement training have they received to qualify them as a Level 1C Contracting Officer. This does not mean that the LAPC has to be warranted (APC/LAPC Program Guide and Departmental Regulation 5001-1).

Reference Tools - Check to see what tools the LAPC is using to manage and provide oversight of the purchase card program (i.e., Discoverer, PCMS, PCMS Newsletters, etc).

Reports - Check to see if LAPC has submitted any Monthly Reports on Purchase Card/Check Use and Reconciliation to the Area.

Management and Oversight - Check to see if the LAPC is performing any reviews of cardholder transactions for compliance with existing procurement policies, i.e., random review of cardholder transactions.

Ensure that cardholder keeps a log for recording purchase card transactions (REE Purchase Card Program Manual 213.3M).

Disputes - Ensure the cardholder maintains a separate file of disputed purchase card transactions with required documents to ensure credits are received in a timely manner and to ensure items are credited appropriately when resolved. (REE Purchase Card Manual 213.3M)

2.02-1.04 Training

Verify warrants are posted (FAR Part 1.602-1).

Verify training plans are in place to maintain and enhance purchasing/contracting skills (FAR Part 1.603 and DR5001-1).

2.02-1.05 Federal Supply Schedule (FSS)

Ensure that delivery orders used to purchase from the FSS have (per FAR Part 13 and FAM):

- The "Delivery Order" block checked on the AD-838.
- The special item number shown for each item.

Ensure there is a SF-279 in the file for delivery orders, and delivery order modifications, over \$25,000 (FAR Part 13 and FAM).

2.03 Administration

2.03-1 Simplified Acquisitions

Ensure there is an effective tracking system and procedure for determining contract and order completion and final payment for closeout purposes.

Scope of Order: If a modification increased the supplies or services ordered, it should be within the scope of the original order. If not, it should be justified as a "new procurement" action (FAR Part 13 and FAM).

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Supplemental agreement: Ensure that if a modification increased the total over \$100,000 and it was by supplemental agreement, it incorporated the mandatory contract clauses.

2.03-2 Receiving Reports

Receiving reports over \$1,000 must be signed and dated and promptly released to NFC (FAM 213.2 and NFC Policy and Procedures for Purchase Orders, Title II, Chapter 5, NFC Manual).

2.03-3 Invoice/Payments/Closeout

Check for record of invoice/payment in the file. Check for final payment. (FAR 4.804-3)

Check for closeout in file. (FAR 4.804-5)

PERSONAL PROPERTY

For information on the interpretation or clarification on the functional questions in this section please contact Cheryl Brumback on 202-270-2359.

2.04 Personal Property

2.04-1 Organizational Structure

Determine who has delegated authority as the property management officer (PMO) and if the Area PMO provides operational support for property functions. :

Identify how many designated Accountable Property Officers (APO's) are at the Location.

Determine how the PMO ensures that new APO's are aware of their duties and responsibilities as outlined in REE Manual 221.1M, Personal Property, Motor Vehicle, & Aircraft Management, dated 8/3/99. (See Section 2, Property Management Authority, subsection "Accountable Property Officers")

2.04-1.01 Training

Verify that the Location personnel involved with property have the proper support and training to perform property management functions. Confirm whether the property management staff has received any specific property management training. If not, determine whether training or additional support is needed to perform responsibilities.

2.04-1.02 Reference Material

Ensure that the Location's property management staff has the latest versions of the following Personal Property references:

- REE Manual 221.1M, Personal Property, Motor Vehicle, & Aircraft Management (dated 8/3/99).
- NFC Procedures Manual Personal Property System (PROP) (March 1998)

2.04-2 Property Inventory, Accountability and Control

Review APO files and inventory records to ensure that the Location performs physical inventories every 2 years and whenever there is a change in APO's according to REE Manual 221.1M. Check to ensure that the files contain a copy of a current reconciled inventory with all the proper signatures for APO's. (See Section 4, Physical Inventories and

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Agriculture Property Management Regulations, AGPMR 104-51.106. PROP28 report in PMIS/PROP will list APO name, address, and latest inventory dates to help CARE Team confirm current/delinquent inventories)

Determine who performs the physical inventory and certifies its accuracy and reconciles the official property records.

Verify whether the APO receives a copy of the reconciled inventory as stated in REE Manual 221.1M, Section 4, Physical Inventories, subsection “Reconciling Physical Inventories”.

Explain any problems that occur when conducting and completing physical inventories.

Confirm that appropriate managers are authorizing property passes (i.e., memoranda, form AD-873, OF-7, Property Pass, form AD-107, etc.) for employees who need to remove Government property from the Location.

Determine how the Location ensures departing employees return Government property.

2.04-2.01 Property Receipt and Identification

Explain how the Location receives and updates accountable property. Review property files to ensure that files contain signed property receipt documents, including serial numbers and bar code/NFC-ID numbers. (See REE Manual 221.1M. (See Section 3, Accountability and Control, subsection “Receipt Documents for Accountable Property”).)

2.04-2.02 Personal Property Records Maintenance

Verify APO files to ensure that transaction documents contain required signatures for acquisitions, transfers, and disposals. (REE Manual 221.1M.)

Verify that the Location receives monthly suspense reports from the Area and how they are reconciled. Ensure that the Location/Area reconciles all items to within 60 days of receipt. (See REE Manual 221.1M, Section 5, Suspense Listings, and PPD Policy Memorandum, Reconciling Area Suspense Reports, dated 3/9/00.)

2.04-2.03 Security

Verify whether the Location has any firearms, ensuring firearms are properly secured, bar coded, and included on the Location’s official inventory. (According to REE Manual 221.1M, Section 2, Accountability and Control, subsection “Sensitive Property”, all firearms are considered sensitive and are accountable property).

2.04-2.04 Reporting Property Theft, Loss, or Damage

Determine if the Location has experienced any property theft, loss, or damage. Ensure incidents are documented, including statements from the custodian, supervisor, APO and appropriate law enforcement (for thefts). Confirm that documents contain appropriate signatures from the APO and property management officer, and any accountable property records are removed from PMIS/PROP. (See REE Manual 221.1M, Section 9, Reporting Lost, Stolen, or Damaged Property.)

2.04-4 Approval Clearance

Confirm that the Location follows the limitations and restrictions regarding acquiring specific items such as executive office furniture, furnishings, etc., according to Federal Property Management Regulation, FPMR 101.25-104.

2.04-5 Property Exchange

Determine whether the Location evaluates property that is no longer needed for possible reassignment or exchange potential.

Ensure that the Location follows exchange sale procedures when determining potential for exchange sale, including the list of ineligible categories of property, items must be similar (in the same Federal Supply Classification Group), and the one for one rule is applied. (See REE Manual 221.1M, Section 13, Exchange/Sale of Property and FPMR 101-46.202 for prohibited list.)

Confirm that the Location documents the trade-in/exchange process, ensure files include form AD-700, Procurement Request, or form AD-838, Purchase Order, with descriptive information (serial number/bar code, if accountable) and trade-in amount and form AD-107, Report of Transfer or Other Disposition or Construction of Property, to specify suspense accounting, transaction amount, and document receipt of the item. (See REE Manual 221.1M, Section 13, Exchange/Sale of Property.)

Ensure transactions are accurately completed in PROP when exchange involves accountable property.

Explain any problems that have occurred with the exchange/sale process.

2.04-5.01 Acceptance of Gifts

Determine whether the Location has accepted any gifts and who has the authority to accept Gifts on behalf of ARS. (See REE Manual 221.1M, Section 18, Acceptance of Gifts, subsection “ARS Field”.)

Confirm that the Location ensures the Gift meets the restrictions for acceptance and documents receipt. (See REE Manual 221.1M, Section 18, Acceptance of Gifts, subsection “Unconditional Gifts”.)

2.04-6 Excess Property

Since excess property is the first source of supply, confirm the process the Location uses to determine whether excess property is available before new acquisitions.

Determine what methods are available to the Location to view available excess property.

Explain the procedures the Location uses when reporting excess property. What type of documentation is required (memorandum, forms SF-120 or AD-107)? Review files to ensure documentation contains the APO’s signature and excess condition code.

Review files to ensure that the Location reports and documents the disposal of non-accountable property.

Ensure that the Location is aware of the length time for each reporting cycle pending final disposal instruction or sale. (The required screening time frames are 30 day departmental screening for reportable property or 15 day screening for non-reportable property, 21 day Federal utilization screening, 21 day Federal donation screening, and sales cycle of approximately 60-90 days, however, there is no specified limit for sales). (See REE Manual 221.1M, Section 10, Reporting Excess Property. These time frames are revised per FPMR 104-43.7001.)

Explain how excess property is identified and labeled. Who maintains accountability and control of excess property pending disposal? If the Location maintains a storage facility for excess, are items labeled? (See REE Manual 221.1M, Section 10, Reporting Excess Property, subsection “Procedures”.)

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Explain circumstances when the Location or Area determines that local disposal instructions (via abandonment/destruction) are in the best interest of the Government due to continued cost, care, handling, security, etc. Review files to ensure documentation (AD-112's) contains appropriate signatures. Confirm that no employees take any property that has been put into the abandonment and destruction category.

Review files for documentation that excess property that has passed through the reporting cycle and is eligible for donation in lieu of abandonment and destruction is only donated to eligible recipients. (Government property may only be donated to "Public Bodies" which basically are organizations that receive State or Local funding, and not necessarily non profit organizations.) (See REE Manual 221.1M, Section 16, Abandonment and Destruction, subsection "Donation to Public Bodies" and FPMR 101.44.701.1)

Determine whether the Location has procedures in place to clear hazardous materials from excess property before disposal.

Review files to confirm that the Location posts the "Public Notice of Abandonment or Destruction" when disposing of excess items with an acquisition cost of \$500 or more. (See REE Manual 221.1M, Section 16, Abandonment and Destruction, subsection "Public Notice" and FPMR 101-45.902-1.)

2.04-6.01 Transfers under Specific USDA Donation Programs

Verify that the Location follows procedures when transferring excess property under the Stevenson-Wydler Technology Act and Executive Order 12999. Review files to ensure property is reported excess in PMIS for possible re-use with USDA, form SF-122 contains appropriate signatures, and completed transfers are reported to APMO for inclusion in annual reports. (Refer to REE Manual 221.1M, Section 17, USDA Donation Programs. Also refer to PPD Policy Memorandum 104-01 dated 5/14/99, donation agreements are no longer required.)

Determine whether the Location has transferred excess property to 1890 Land Grant Institutions, ensuring files contain appropriate documentation with signatures from appropriate property officers.

2.04-7 Agency Administered Sales

Verify that files contain appropriate documentation of sale, including form OF-15, Sale of Government Property, and form OF-16, Sales Slip. Ensure proceeds are deposited into the appropriate suspense account fund if sale is exchange sale property. If the sale is not from exchange/sale property, are funds deposited to U.S. Department of Treasury as miscellaneous receipts?

Ensure that the Location does not sell property to employees who are or were accountable for the property, used the property, or connected with its declaration as excess or sale. (See REE Manual 221.1M, Section 14, Agency Administered Sales, subsection "Exemptions" and AGPMR 104-45.302)

Explain any problems that occur when conducting agency administered sales.

2.04-8 Motor Vehicles

Confirm that the Location is aware of the Area's limits on passenger vehicles (sedans/station wagons) and that any additions to their fleet are properly justified.

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Ensure that the Location acquires vehicles that meet the Federal fuel average fleet economy standard, meet replacement standards, and are the minimum size necessary to accomplish the mission. Ensure justifications are included when ordering vehicles other than standard vehicles. (This may be accomplished at the Area level. However, Locations are responsible for requesting replacement vehicles according to requirements listed in REE Manual 221.1M, Section 19, Motor Vehicle Management, subsection "Replacement Standards" and FPMR 101-38.4.)

Verify whether the Location has purchased any alternative fueled vehicles (AFV's). If not, determine if the Location has explored the availability of AFV's. (See PPD Policy Memorandum 221.1-02, Purchasing Alternative Fueled Vehicles, dated 2/11/00. Depending on the county and zip code, some Locations are required to submit justification for non-AFV purchases.

Explain any problems that occur when acquiring new/replacement vehicles.

Ensure the Location's vehicles contain Government tags, decal AD-792, For Official Use (if the Location uses the new USDA tags imprinted with "For Official Use," they no longer need decal AD-792.), decal AD-185, Penalty for Unofficial Use, form AD-651, Accident Reporting Kit, and form ARS-715, Operational/Maintenance Record or other method for recording and tracking vehicle operational data. (The Location may use the ARS715 or any other method to record and track vehicle operational data not captured through the Fleet card.) The Location should receive these items from Area before receipt of the vehicle.

Ensure that the Location maintains motor vehicle dispatch record/log that provides reasonable audit trails to verify official use. (See REE Manual 221.1M, Section 22, Use of Government Vehicles, subsection "Supervisory Responsibilities" and AGPMR 104-38.301(c)(3).

Ensure that the Location secures motor vehicle keys and fleet cards when they are not in use.

Explain any problems that the Location has had with the Government fleet card.

Verify that the Location's vehicles are mechanically inspected according to State/Local requirements. If there are no State or Local requirements, the Location should follow the manufacturer's recommendations.

Ensure that the Location performs annual visual safety inspections of vehicles and that any repairs or problems noted are promptly corrected. (See REE Manual 221.1M, Section 23, Vehicle Operations, subsection "Visual Safety Inspections".)

Ensure that the Location tracks and documents quarterly operational and maintenance information in PROP or forwards to the Area for input. (This only includes transactions that occur using any other method other than the Voyager Government fleet card. The Voyager Fleet Card automatically captures this data through PCMS-fleet and feeds the data to PMIS/PROP System. This also includes Government fuel and maintenance from on-sight facilities. See REE Manual 221.1M, Section 23, Vehicle Operations, subsection "Reporting Operational/Maintenance Data".)

Verify whether the Location has employees that use Government vehicles for home to work transportation. Verify whether the employee is authorized for home to work transportation because of fieldwork and that the employee is in an authorized job series designated for fieldwork. (See REE Manual 221.1M, Section 22, Use of Government Vehicles, subsection "Home to Work Transportation", and Department Regulation 5400-5, Use of Government Vehicle for Home-to-Work Transportation, Appendix A, for the list of authorized job series.)

Explain circumstances for allowing home to work transportation for employee outside the authorized job series. Ensure the Location receives Departmental approval for any other occurrence. (See REE Manual 221.1M, Section 22, Use of Government Vehicles, subsection “Home to Work Transportation”.)

Employees who are on “official travel status” and are entitled to per diem and use the Government vehicle in lieu of short-term rental, may be authorized for temporary overnight home to work because they must arrive/depart at an unusually early or late time frame. However, this is determined on a case-by-case basis. (See REE Manual 221.1M, Section 22, Use of Government Vehicle, subsection “Temporary Home to Work Transportation While on Travel Status.” Vehicle operation covered under Federal Travel Regulations.